



business responsibility report 2019-20

AIM OF BUSINESS RESPONSIBILITY REPORTING

The Company aims to provide integrated solutions and superior knowledge based products and services in the domain of generation, transmission, distribution and utilisation of electrical energy. While aiming so the Company's focus is to achieve excellence by optimum utilization of resources, taking due care of the environment and building products that have economic and social value.

This report documents our efforts across all the sustainability parameters.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L99999MH1937PLC002641
2. Name of the Company	CG Power and Industrial Solutions Limited ('the Company' or 'CG')
3. Registered address	CG House, 6 th Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India
4. Website	www.cgglobal.com
5. E-mail id	investorservices@cgglobal.com
6. Financial Year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus – 271 Manufacture of other electrical equipment – 279
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Power Transformers; Motors; Switchgears
9. Total number of locations where business activity is undertaken by the Company	Refer to section titled 'Establishments' forming part of 83 rd Annual Report 2019-20.
a. Number of International Locations	
b. Number of National Locations	
10. Markets served by the Company – Local/State/National/International	India, Indian Sub-continent, Europe, Americas, Asia Pacific, Africa and Middle East

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹ in crore)	125.35
2. Total Turnover (₹ in crore)	3169.48 (Revenue from operations - standalone)
3. Total profit/loss after taxes (₹ in crore)	(1799.20) (Net loss for FY 2019-2020 - standalone)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer to Annexure 2 on Corporate Social Responsibility Initiatives for FY 2019-20 of the section titled 'Directors' Report' forming part of the 83 rd Annual Report 2019-20.
5. List of activities in which expenditure in 4 above has been incurred	Please refer to Annexure 2 on Corporate Social Responsibility Initiatives for FY 2019-20 of the section titled 'Directors' Report' forming part of the 83 rd Annual Report 2019-20.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?	Please refer to the complete list of Subsidiary Companies in Annexure 5 - Extract of Annual Return of the section titled 'Directors' Report' forming part of the 83 rd Annual Report 2019-20.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):	The Company's Code of Conduct and Business Practices is applicable to all Employees and Directors of the Company and also extends to all subsidiary/group entities.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	CG's commitment to best business practices extends to all its suppliers, contractors and other entities acting on behalf of them, regardless of their size or geographical location.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of Director/Directors responsible for BR for implementation of the BR policy/ policies:	
1. DIN Number	01705609
2. Name	Mr Sudhir Mathur
3. Designation	Whole Time Executive Director
(b) Details of BR Head:	
1. DIN Number (if applicable)	Not Applicable
2. Name	Mr. Lloyd Pinto
3. Designation	President – International Businesses, HR, EHS & Corporate Strategy
4. Telephone number	+91 22 2423 7505
5. E-mail id	<i>lloyd.pinto@cgglobal.com</i>

2. Principle-wise (as per NVGs) BR Policy/Policies

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.... P1: Ethics and Transparency P2: Product Responsibility P3: Wellbeing of employees P4: Responsiveness to Stakeholders P5: Respect Human Rights P6: Environmental Responsibility P7: Public policy advocacy P8: Support inclusive Growth P9: Engagement with Customers	Refer note no 2b	Y	Y	Refer note no 2b	Y	Y	Y	Y	Y
		Refer Note 1								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Refer Note 1								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies are communicated to internal stakeholders and are available on the Company's website and intranet. Policies are communicated to external stakeholders through the website of the Company and Regulatory filings.								
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note:

1. Principle-wise Policy Index :

P1: Ethics and Transparency	Code of Conduct and Business Practices, Supplier Code of Conduct, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Code for Fair Disclosure, Policy for Determination of Materiality of Disclosures.	Whistle Blower Policy and Prevention of Sexual Harassment Policy are available on Company's intranet. Rest of the policies can be accessed through Company's website: www.cgglobal.com
P2: Product Responsibility	Corporate Quality Policy	Can be accessed through Company's website: www.cgglobal.com
P3: Wellbeing of employees	Code of Conduct and Business Practices, Whistle Blower Policy, Prevention of Sexual Harassment Policy, EHS Policy, Employee Handbook on Company Policies	Whistle Blower Policy, Prevention of Sexual Harassment Policy, EHS Policy and Employee Handbook on Company Policies are available on Company's intranet. Rest can be accessed through Company's website: www.cgglobal.com
P4: Responsiveness to Stakeholders	CG Values Corporate Social Responsibility Policy	Can be accessed through Company's website: www.cgglobal.com
P5: Respect Human Rights	Code of Conduct and Business Practices, Supplier Code of Conduct.	Can be accessed through Company's website: www.cgglobal.com
P6: Environmental Responsibility	Environment, Health and Safety (EHS) Policy and EHS Cardinal Rules, Code of Conduct and Business Practices, Supplier Code of Conduct and Corporate Social Responsibility Policy	EHS Cardinal Rules are available on Company's intranet. Rest of the policies can be accessed through Company's website: www.cgglobal.com
P7: Public Policy Advocacy	The same is advocated in the Code of Conduct and Business Practices and internal processes and practices established based on this principle.	The Code of Conduct and Business Practices can be accessed through Company's website: www.cgglobal.com
P8: Support Inclusive Growth	Corporate Social Responsibility Policy	Can be accessed through Company's website: www.cgglobal.com
P9: Engagement with Customers	Corporate Quality Policy	Can be accessed through Company's website: www.cgglobal.com

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

In view of what is stated in Principle 1 below, the Board at this point in time is not in a position to comment whether the policies set by the Company for ensuring ethics, transparency, governance including code of conduct and business practices are followed or not.

3. Governance related to BR :

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

The BR performance of the Company is reviewed on a quarterly basis.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes an Annual Report on its Corporate Social Responsibility initiatives as part of

the Directors' Report and Business Responsibility Report both of which are available on the website of the Company www.cgglobal.com. These Reports are published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1 : ETHICS, TRANSPARENCY AND ACCOUNTABILITY

In light of the significant financial irregularities that have occurred in your Company in the past and the consequential investigations and significant financial restatements that have followed both at the standalone and consolidated levels, your Board has taken stringent measures to protect the interest of the Company and its various stakeholders.

Virtues of honesty, integrity and fairness while conducting the business is the priority and are non-negotiable. With the appropriate managerial and structural changes, the Company will be able to leverage the goodwill that it has created over a number of years.

Your current Board will continue to take the necessary steps to improve the policies and processes and to create an environment that meets with the ethical, legal and business expectations.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs/Others?

The Company's Code of Conduct and Business Practices which inter alia includes guidelines relating to ethical behavior, bribery and corruption is applicable to all the employees and the Directors of CG and also extends to all the Subsidiaries of the Company. All the suppliers, services providers and entities acting on behalf of them are bound by CG's Supplier Code of Conduct and are required to commit their operations subject to the provisions contained in this Code. Acknowledgement to the provisions of these Codes is a pre-requisite for any employment, contract or business relationship with the Company.

The Company also obtains annual confirmations from its employees and

Directors on the Code of Conduct and Business Practices of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

In the FY 2019-20, the Company had received 3 complaints out of which 2 complaints have been closed after updating the findings to the Audit committee and 1 complaint is under investigation as on date.

PRINCIPLE 2 : PRODUCT RESPONSIBILITY

The Company is committed to enhance customer satisfaction by providing products that meets high quality and safety standards which is achieved through its investment in Research & Development, Innovation & Technology. The quality objectives set and followed at all level of the organization serves as a benchmark to ensure the quality of the products being manufactured and helps identifying the focus areas for improvement of the processes. The Company on continuous basis assesses the opportunities for improvement in processes and resources used.

The Company continues to invest its substantial time, effort and resources in Research and Development activities to ensure that its products without compromising on the performance, contribute to sustainability throughout their life cycle. All the products of the Company have adequate labeling to avoid any accidents and have instructions with regard to its disposal.

All manufacturing plants of the Company alongwith its vendors, suppliers and service providers work towards achieving environment and socio-economic sustainability objectives in the best possible manner. The Company also actively utilizes 6-sigma techniques for quality enhancement and control in its processes and has a full time qualified six-sigma team having black belt employees across its manufacturing units.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:
 - a. The MV Switchgear-Relay (S2) and HV Switchgear (S3) unit in India developed Controlled Switching

Device. It is used for switching the Power Transformers. This minimizes the switching inrush current less than 0.5 PU. By conventional switching method the inrush current will be in the range of 5 to 6 PU. This will help to increase the life of switchgear, cables and Power Transformer. This controller is developed with the existing infrastructure. This is a strategic development for import substitution. CG India is the only company to supply the controller with all makes of EHV breakers.

- b. Traditionally, petroleum based mineral oil is used as an insulating medium in power and distribution transformers. Due to its low cost, mineral oil has been an industry standard for decades. But it is both – flammable and environmentally damaging if it leaks or is spilled from a transformer. Ester oil is a viable natural alternative to mineral oil for use in transformers. It is eco-friendly and fire-safe, provides benefits like low maintenance, extended asset life and continuous overloading of the transformer. As the Company is highly committed towards its environmental initiatives with high performance reliable equipment, the transformer units have worked together closely with R&D to develop ester oil filled transformers for both DT & PT ranges. CGPISL transformer units have designed and developed ester oil transformers in 33kV, 66kV and 132kV ranges. In addition, they are also working on the development of 220kV ester oil filled transformer. At present, the transformer units are geared-up and focused to be a leader in ester oil transformer technology to supply a more reliable, safe and responsible product.
- c. The Company has developed design and manufacturing competence for Instrument Transformers and Surge Arresters up to 800 kV with Polymeric insulators. Products with polymeric insulator are becoming more and more popular now a day's owing to its shatterproof, explosion proof characteristics and light weight construction. Polymeric insulators are made of fibre reinforced plastic externally covered

with silicon sheds. Manufacturing process of polymer insulator is well engineered and prone to automation as against the crude manufacturing of porcelain. Former technology for insulators was porcelain (which is still in use), it had one basic environmental disadvantage that in the unlikely event of product failure when porcelain shatters, pieces of it travel with a bullet speed and destroy almost all surrounding equipment and environment including every threat to human life, if present near the place of incident whereas polymeric insulator not only will sustain more pressure due to excellent physical properties but also will just develop a crack and release the energy. It will never shatter.

Now a day's products required for Europe and American subcontinent are necessarily with polymer insulators and for other regions almost all the global utilities including India are in the phase of specification change from porcelain to polymer.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? These products limit the inrush current which will help reduce the investment in building infrastructure, protect the nearby equipment, increases the fire safety, protects the human life from accidents, reduction of down time and saving of space in metro cities where space is costly.
3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's sustainability objectives covers all domains of operations with emphasis on energy and resource efficient products, systems and services, ways of lowering

our own energy intensity and waste, occupational health safety, environment and community development. While procurement of any new equipment or raw material we focus on environmental concern and hazard identification. Simultaneously our focus is on constant reduction in use of hazardous material like chrome, cyanide, lead, thermocol etc.

Our sustainability agenda also extends to suppliers, vendors and business partners through the Supplier Code of Conduct and the Policy on Environment, Health and Safety (EHS) to which they have to commit. The Company also conducts Supplier Qualification Programme (SQP) Audits, Safety Audits and EHS drives for its vendors.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
The Company has a practice of purchasing goods and services from both local and global suppliers including SMEs subject to the cost effectiveness and availability of local suppliers, geographically nearest to the Company's manufacturing facility.
The Company has tied up with local technical institutes like ITI for training the students such as winding of motors etc., on regular basis.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. Various initiatives were undertaken by the Company for sustainable growth and for protection of environment including:
 - a) elimination of hazardous chemical and effluent generation;
 - b) use of renewable energy sources,

roof top solar panel installed in all the units

- c) reduction of waste through continuous monitoring;
- d) Replace wooden packing with steel which can be recycled
- e) rain water harvesting;
- f) Reuse and recycling of raw materials such as transformer oil, copper and aluminum electrical steel is reused by melting and making new components.
- g) Sewage and effluent treatment plants have been installed and waste water from these plants is re-used for portable use;
- h) Segregation and appropriate disposal of waste.

PRINCIPLE 3: WELLBEING OF EMPLOYEES

The Company has always believed that success of an organization is largely dependent on the development and contribution of its employees and thus is committed to create and sustain a positive and healthy work culture through improving organizational effectiveness, providing safe and ethical work environment and maintaining stability and sustainability amidst growth and ever-changing business environment. CG fosters equal opportunities and treatment of all its employees as the position of the employee in the company is decided only on the basis of merits and not by extraneous factors, which is reflected in the Company's value of Performance Excellence. The Company believes in celebrating individuality and promotes diversity and inclusion within the organization. CG commits itself to respect and to ensure respect for the principles stipulated in the "Universal declaration of Human Rights of 1948" and for the fundamental Conventions of the International Labour Organization (ILO). The various policies adopted by the Company have been instrumental in not only safeguarding the interests of the employees but also ensuring their welfare.

CG's Code of Conduct and Business Practices and Handbook on Company's policies provides guidelines for employee well being relating to participation, freedom, equality, good environment and harassment free workplace. The safety of the women employees of the Company is secured by CG's policy on 'Prevention of Sexual Harassment.' Employee related policies are updated on timely basis in line with the amendments in laws applicable for employee's welfare.

CG keenly promotes an open culture that encourages feedback. The employees through an employee engagement survey conducted by the Company in partnership with Great Place to Work are encouraged to give feedback on areas of improvement which are then converted into actions to ensure high level of employee satisfaction. An increasing positive trust index each year re-affirms that the Company's efforts towards ensuring employee wellbeing are heading in the right direction.

At CG learning is a continuous process and hence various training programs, sessions, workshops on various subjects including Customer Care and Customer Focus, CG Personal Effectiveness Program, Finance for Non-Finance and Situational Leadership were conducted. This learning experience had a positive impact on the attitude of the employees and strengthens their capabilities.

The Company through its Performance Management Process branded as PRIDE which stands for Personal Responsibility in delivering excellence endeavor to align rewards with performance. The Company also has an active rewards platform – RECOGNIZE, the essence of which is to engage the employees by recognizing their outstanding achievements for behavior, actions and attitude that reflects CG's core values.

To make the Company a fun place to work, activities such as talent contests and offsite team- building are conducted across businesses to boost motivation and productivity, overall contributing to a positive work environment.

1. Please indicate the Total number of employees:	5110
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:	2308
3. Please indicate the Number of permanent women employees:	138
4. Please indicate the Number of permanent employees with disabilities:	5
5. Do you have an employee association that is recognized by management:	Yes
6. What percentage of your permanent employees is member of this recognized employee association:	44.97%
7. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
- Permanent Employees	85%
- Permanent Women Employees	78%
- Casual/Temporary/Contractual Employees	86%

Details of Number of complaints received in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

PRINCIPLE 4: RESPONSIVENESS TO STAKEHOLDERS

The Company endeavors to create meaningful and sustainable value for the society, with that end and intent we employ various mechanisms and practices, at periodic intervals, for engaging with both our internal stakeholders (employees) and external stakeholders (customers, suppliers, investors and society) to create sustainable impact in the lives of the beneficiaries and thus, enable them to be facilitators of further and larger development

Being a socially responsible organisation, the Company through its Corporate Social Responsibility (CSR) initiatives builds active and long term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them. The Company does extensive work in the field of Skill Development and Education, Community outreach and sustainability. The CSR policy of the Company is available on the website of the Company at www.cgglobal.com.

1. Has the company mapped its internal and external stakeholders? Yes/No
The Company has mapped its key internal and external stakeholders and carries out engagements at regular intervals through general meetings, analyst meets, press releases, training programmes and community outreach.
2. Out of the above, has the company identified the disadvantaged,

vulnerable & marginalized stakeholders.

The Company through its intervention in the field of skill development and education, community outreach and sustainability contributes towards the holistic development of the underprivileged communities. The direct and indirect stakeholders involving both internal and external stakeholders having real difficulties in accessing basic necessities are identified through an exhaustive need assessment surveys across CG locations in collaboration with our partner organizations. The assessment also includes obtaining views from our employees along with focused group discussions with government officials, industries and the local communities. While working with identified communities Company gets referrals for other needy, underprivileged communities from the existing stakeholders.

Sometimes people from peripheral localities approach Company units with the community requirements. Our units in Nashik, Aurangabad, Ahmednagar, Gwalior Bhopal and Goa have received total 45 applications in this year from different villages and communities where infrastructural support for communities, government schools, Government ITIs, police stations and such other community resources is required. Requests have also been received from local NGOs, CBOs for

community projects like, restoration of historical monuments, reviving natural water resources and so on.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Through our CSR interventions focusing on Skill Development and Education, Community outreach and sustainability we intend to make a positive, sustainable change in communities located around our plants.

We work with various academic, socio-cultural organizations, governmental and non- governmental organisation, as well as public and private institutions that are contributing for the upliftment of underserved communities.

In Ahmednagar district of Maharashtra, supplementary education project supports 650 students from socio-economically deprived communities. Project aims at improving students' academic performance through innovative learning techniques and provides opportunities to children to showcase their skills which in turn will help them become confident and understand their own potentials.

To improve the livelihood of disadvantaged women and youth from slums and tribal communities, the

Company has extended trainings to improve vocational skills, which could help them to raise their economic and social conditions. Along with this, Government as well as private ITIs caters to trainees from rural, tribal backgrounds for soft skills training which helps them sharpen their social skills and become job ready candidates. Through vocational and soft skills trainings, Company has made a difference in lives of around 2049 youth and women in this year.

The Company has undertaken various employee-volunteering drives like, teaching in schools, clothes, stationary-toys donation, blood donation, tree plantation in neighborhood communities, where the employees can contribute their time, expertise and resources towards the betterment of the marginalized stakeholders. Employees also participated in various campaigns for AIDS awareness and environment conservation organised at respective local plants.

Company has also implemented outreach programs catering to the needs of disadvantaged and vulnerable communities. LVRM unit-2 provided 1000 litre water tanks to Hatvalan and Mandavgan Z.P. schools in A'nagar, benefitting over 230 students. Fully equipped computer lab was donated to Gauharganj Girls' ZP school in Bhopal which is imparting basic computer literacy training to 156 girls from 5th to 9th STD.

Blood donation camps were organized in Mumbai, Nashik, Aurangabad and Bhopal with local blood banks. Stakeholders including staff, vendors, workmen, and contract workers participated and donated over 600 units of blood.

CG units also contributed wholeheartedly for the flood relief work in various regions in India. Employees made monetary and in kind donations to reach out to the needy people. Mandideep, Gwalior units sent boxes full of essential material for rural communities in Maharashtra. CG units in Ahmednagar, Aurangabad, Nashik also made in kind donations for the flood affected people through local NGOs. In Mumbai Corporate office collected clothes, stationary,

old books, toys and board games and donated the material to Sonewadi ZP school in Kolhapur, which was completely washed off during the flood.

To address the issue of disability, institutions were encouraged to set up stalls in CG offices and promote their cause as well as raise funds by selling products prepared by specially abled individuals

For more details of the CSR initiatives taken by the Company please refer to Annexure 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2019-20 of the section titled 'Directors' Report' of the 83rd Annual Report 2019-20 of the Company.

PRINCIPLE 5 : RESPECT HUMAN RIGHTS

At CG we strive to create and sustain discrimination free habitat, promote harmony and advocate fair employment opportunities. The Company values and recognizes every individual equally and treats them fairly and with dignity irrespective of their race, colour, creed, ancestry, ethnic origin, religion, sex, nationality, age, physical handicap/disability or marital status. The Company's Values of Performance Excellence and Nurturance encourage performance culture and discourages personal bias.

The safety and health of employee are of paramount importance to CG as we work to provide and maintain a safe, healthy and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury and health impacts. We take responsibility for maintaining a safe work place and work hard to minimize the risk of incidents, injuries and health hazards for all the employees. The Company prohibits forced labour, child labour etc.

We encourage others associated with us to uphold the highest standards of human rights protection. The aspects of human rights aspects are systematically integrated in to our business operations and business relationships which ensure preservation of these rights across the value chains.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

Yes, aspects of human rights forms part of the Company's Code of Conduct and Business Practices and various human resource practices/policies which extend to all employees, Board Members of the Company and subsidiary/group/joint venture entities of the Company. We also expect the same high standards on human rights protection from all our Stakeholders. Thus, as part of our contracting processes through our Supplier Code of Conduct, we encourage our suppliers to respect human rights and commit to eradicate forced, compulsory or trafficked labour from their businesses.

Acknowledgment of the provisions of these Codes are a mandatory condition for any employment, contract or business relationship with the Company.

2. How many stakeholder complaints with respect to Human Rights violation have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

PRINCIPLE 6 : ENVIRONMENTAL RESPONSIBILITY

The Company believes that environmental conservation is a core component of its business which is accomplished through Environment, Health and Safety (EHS) initiatives. Being a manufacturing Company, CG has always strived to maintain an equitable balance between economic growth and environment protection.

It is ensured that EHS standards at all CG units are continuously ahead of legislation and are benchmarked with the best international practices. All our units in India are certified for quality systems with ISO 9001:2015/ISO 14001:2015 Environmental Management System Certification the units are upgraded for ISO 45001:2018 (Occupational Health and Safety Standard) except Stamping, Ahmednagar, D&A, RTTE, Mandideep Stamping, D&A and RTTE currently having OHSAS 18001:2007 which is expected to get upgraded to ISO 45001:2018 by the year 2021. The Company business at Indonesia was certified for Integration Management System (IMS) for ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. All units in India have clearance to operate

from State Pollution Control Board authorities and are complying over and above the conditions laid down in consent to operate.

EHS governing principles are fully incorporated and implemented in all our business decisions such as product development, procurement, plant/ machinery/ process selection, customer service etc. We encourage sharing of process and product innovations within the group and extending it to benefit of the industry and key members of its value chain.

The Company through its EHS policy and cardinal rules is not only committed to minimize the adverse impact on the environment and community at large but also to ensure health and safety of all the employees and stakeholders across all factories and establishment. Our “zero-harm culture” endeavors to create a meaningful and sustainable value for the environment and the community we operate in. As we expand our global footprint, we are building increased commitment at all levels in the organization to operate our business in an economically, socially & environmentally sustainable manner, while recognizing the interests of the stakeholders.

We also regularly conduct trainings on Environment, Health and Safety (EHS) awareness and sustainable growth at all plant locations with an aim to renew commitments of employees and general public, to work safely and ensure integration of Environment Management System and Occupational Health and Safety in our work culture and lifestyle. In order to motivate the employees to observe the highest standards of EHS in their operations, the Company has laid down various programs to recognize and reward employees who drive EHS.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

The Company's EHS Policy and Cardinal Rules are applicable to all employees of the Company and extend to all visitors and contractors of the Company. Moreover, through the Company's Code of Conduct and Business Practices and the Supplier Code of Conduct, our employees, subsidiaries, suppliers and partners are encouraged to be compliant with

applicable laws and regulations, including environmental laws and regulations.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company initiates tree plantation drives on a periodic basis also maintains green areas inside and surrounding the factory and office premises.

Being in the space of “Energy Management”, the Company, addresses, contributes and develops awareness about energy conservation, energy sustainability & alternate energy utilization in the communities that we are part of. The Company also continuously improvises its products and technologies in terms of energy efficiency, material use and recyclability to reduce carbon footprints and minimize the environmental impacts of the Company's products.

3. Does the company identify and assess potential environmental risks? Y/N

EHS targets are assigned to each division through ISO 14001 (Environmental Management System), audits and are regularly monitored through an EHS scorecard at business review meetings and these scores are linked with annual performance evaluations. Corporate EHS audit, with focus on EHS implementation and performance, are conducted periodically. Corrective actions generated from these audits and various EHS events risks are captured and tracked for closure in an online Event Reporting System (ERS). Further the Board of Directors of the Company also review compliance processes and material occurrences in areas of EHS, every quarter.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company has not applied for any projects under the Clean Development Mechanism. However as a part of

its commitment towards sustainable development and conservation of the environment, the Company is continually undertaking several initiatives for effective utilization of energy resources and minimization and control of waste. Further Company also encourages complete elimination of hazardous substances from its manufacturing process. On pilot basis, we have installed waste to manure convertor machines which convert food waste and other biodegradable waste in to manure. The manure is being utilized for gardening purpose inside the campus. Annual Environmental Statement are being submitted to State Pollution Control Board by the respective entities.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Towards Company's objective of sustainable development, several initiatives were taken for use of renewable sources of energy and clean technology. Some of them are as follows:

- a. Maintaining green areas inside the factory and office premises and conducting periodical plantation drives;
- b. Replacement of conventional roof with insulated MS roof for use of natural light and regulating temperature, thus control on power consumption;
- c. Installation of solar electrical panels and use of natural gas against conventional fuel;
- d. Elimination of use of hazardous materials from manufacturing across several products;
- e. Using Thermic Fluid Heated Ovens for transformer manufacturing;
- f. Replacement of conventional lights with energy efficient LEDs;
- g. Water sprinklers installed to regulate temperature;
- h. Preventive maintenance of plant and equipment performed to reduce the energy consumption;
- i. Conducted energy audits to save energy and awareness on conservation were created among

employees through leaflets, posters and seminars.

- j. Rain water harvesting has been initiated in most manufacturing units.

More details pertaining to conservation of energy and technology absorption are provided in Annexure 1- Conservation of energy, technology absorption and foreign exchange earnings and outgo, of section titled 'Directors' Report' of the 83rd Annual Report 2019-20 of the Company.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Considering the nature of industry, the quantum of wastes/emissions is well within the permissible limits laid down by CPCB/SPCB in their consent to operate. All manufacturing facilities have well maintained Effluent and Sewage treatment plants as per applicability. Results of quality parameters of the treated effluents are being monitored periodically and displayed at main security gates of respective entities.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

PRINCIPLE 7: PUBLIC POLICY ADVOCACY

The Company has memberships with trade and industry associations through which the Company makes efforts to further contribute on specific sustainable business issues and participates in a number of exhibitions organized by these associations/bodies.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of various industry associations viz.:

- Confederation of Indian Industries (CII);
- Bombay Chambers of Commerce and Industry (BCCI);

- Engineering and Export Promotion Council of India (EEPC);
- Federation of Indian Exporters Organization (FIEO);
- Indian Electrical and Electronics Manufacturers Association (IEEMA);
- Maharashtra Economic Development Council (MEDC);
- Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA);

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company's authorized officials represent the Company in various industry forums. They understand their responsibility while representing the Company in such associations, and while they engage in constructive dialogues and discussions they refrain from lobbying or influencing public policy with vested interests. This principle is also embodied in the Code of Conduct and Business Practices of the Company applicable to Company representatives and group entities.

PRINCIPLE 8 : SUPPORT INCLUSIVE GROWTH

The Company believe that its responsibility as a socially responsible corporate extends beyond bottom line concerns, and encompass myriad social commitments. The Company uses its Corporate Social Responsibility (CSR) initiatives to integrate economic, environmental and social objectives with the Company's operations and growth. The CSR of the Company is based on the belief that business sustainability is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates.

As we expand our global footprint, we intend to focus our Corporate Social Responsibility initiatives across all our geographies. For CG, being a socially responsible corporate means:

- Upholding and promoting the principles of inclusive growth, diversity and equitable development in society;
- Collaborating with local government agencies and like minded corporates, voluntary and academic organisations in pursuit of our goals;
- Building active and long term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them;
- Making a sustained effort in preserving the environment;
- Using environment friendly, energy efficient and safe processes;

CG's modus operandi for achieving the above and making lasting positive impact on the community is championing initiatives that provide sustainable livelihood to people by making them self sufficient and confident. This means working with the underserved communities to improve the quality of their life and preserve the ecosystem that supports the communities and the Company.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company has been implementing various interventions in the fields of Skill development, education, community outreach and sustainability. Details of the programmes/initiatives/projects undertaken during the year under review are provided in Annexure 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2019-20 of section titled 'Directors' Report' of the 83rd Annual Report 2019-20 of the Company.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company has partnered with various specialized government and non government agencies to undertake CSR initiatives. The Company also engages its employee in delivering various community development initiatives. Non- Government Organizations viz Sahayini have been catering educational support to students in identified communities in

Maharashtra. Whereas In addition, the Company has tied up with National Institute for Women Child Youth Development for developing skills of women and youth across 6 company locations in Maharashtra, Madhya Pradesh and Goa. The society at large has been benefited with these collaborations. The Company also has an in-house dedicated CSR team.

3. Have you done any impact assessment of your initiative?

Impact assessment of CSR initiatives was done by an external agency – Auxilium Empowerment Services in FY 2018-19 (previous financial year), in which they interacted with more than 1100 internal and external stakeholders including CSR direct beneficiaries, their family members, community people, trainers, implementing partners, local self government representatives, concerned government officials and local plant teams. The respondents were selected randomly and the data was collected through primary and secondary methods.

The report was a mix of qualitative and quantitative data. It pointed out positive behavioral changes and improved academic performance amongst students being covered under quality education and supplementary education projects in Maharashtra and Madhya Pradesh. Growth in income and improved socio-economic status was observed by the team amongst the vocational and technical trainees under skill development program. The beneficiaries of community outreach projects mentioned about upgraded lifestyle and positive effects of provided resources on their day to day life. Impact assessment report also indicated the need of continued support to the beneficiaries and well established tracking system for better impact of programs.

Along with this, the Company conducts regular monitoring and evaluation meetings with all the partner organizations. Community meetings, during and post CSR project implementation are conducted to ensure desired impact and continued sustenance.

The CSR Committee of the Board of Directors also internally performs an impact assessment of its initiatives at regular intervals to understand the

efficacy of the programmes in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Details of the projects undertaken by the Company and contributions made thereof during the year under review are listed out in Annexure 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2019-20 of section titled 'Directors' Report' of the 83rd Annual Report 2019-20 of the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Company emphasizes the need of strengthening capacities of community people in order to make the development initiative self reliant. The Company ensures that community members participate in the initiatives being undertaken / implemented from the beginning till the end.

Company constantly makes attempts to ensure that projects continue and sustain within communities beyond our interactions. While implementing community initiatives, Company ensures that it has an end date to each project from when the community members being equipped with required skills, knowledge and resources can independently lead the initiative.

The Company authorizes/conducts surveys, tests and field visits to measure the effectiveness of the initiatives undertaken. This regular interaction, allows for improvisation of ongoing initiatives while also serving as an input in planning the Company's future course of action.

PRINCIPLE 9: ENGAGEMENT WITH CUSTOMERS

The company offers a comprehensive range of products, solutions and services that meets the customer requirement. It is ensured that the products manufactured by the Company are safe to use and meets the high quality standards. All CG products

are accompanied with an installation and maintenance manual which includes instructions on safe usage of products and precautions to be taken at the time of installing the same. The Company has a dedicated customer desk and 24x7 toll free call centre for customers complaints, redressal and feedback. Redressal of customer complaints is done on real-time basis by dedicated service team with the help of service centers equipped to handle all type of exigencies. These complaints are further reviewed by the management team, based on the inference corrective actions are put in place. During the regular visits, Company's front line sales executives interact with the customers and channel partners understand their business needs, expectations and other concerns. All the unresolved issues are addressed periodically.

The Company believes in educating its customers and channel partners about the benefits of the products & services offered. Company periodically conducts various interactive programs like Seminars, Workshop, factory visits, dealer conferences, etc. to help them take informed decisions.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company business is in the B2B segment and contracts are governed with agreed warranty terms with customers. With the dedicated service set up, the customer complaints are attended on priority to ensure compliance with agreed terms of the contracts. All the cases of customer complaints are either attended or in the process of being resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks(additional information)

The Company manufactures Industrial products for the B2B segment and adheres to all applicable laws and regulations on product labeling. The Company's products conforms to relevant standards prevailing in the country and are supplied with a comprehensive product manual giving details of the standards to which the product complies, details of unpacking, installation and

commissioning, methods of use and end life disposal. It also provides the list of DO's and DON'Ts which ensure the smooth functioning of the equipment. The Company is entering into consumer product business and compliance with applicable laws with respect to packaging and product labeling is being ensured. Compliance to applicable laws with respect to packaging and product labeling with respect to Company's consumer product business are also ensured.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases filed by any of our stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of the financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company actively conducts annual surveys, vendor meets, training programs and seminars for customers, service contractors and channel partners meet, to get regular feedback on various aspects of business including product performance. The Company also participates in various exhibitions which are relevant to its business.